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### BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT & PARCEL RETURN SERVICE
CONTRACT 7 (MC2019–64)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-69

### USPS NOTICE OF AMENDMENT TO PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 7, FILED UNDER SEAL

(March 25, 2022)

The Postal Service hereby provides notice that the terms of Parcel Select & Parcel Return Service Contract 7, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select & Parcel Return Service Contract 7 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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### **ATTACHMENT A**

### **REDACTED AMENDMENT TO**

### PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 7

# AMENDMENT #2 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

# REGARDING PARCEL SELECT AND PARCEL RETURN SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, Parcel Select & Parcel Return Service Contract 7 / Docket No. CP2019-69 regarding Parcel Select and Parcel Return Service on December 19, 2018.

WHEREAS, the Parties desire to amend the terms of the Contract by adding new Sections I.Q and I.R; removing Sections I.L and I.M; removing Table 8; and amending Section III of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Add new Sections I.Q and I.R; removing Sections I.L and I.M in their entirety, removing Table 8, and replace Section III of the Contract, as follows.]

### I. Terms

- L. [Intentionally Omitted]
- M. [Intentionally Omitted]
- Q. Surcharges, Additional Fees and Time-Limited Price Changes. To the extent the Postal Service promulgates a surcharge, additional fee, or time-limited price change, applicable to the products defined and referenced in Term I.B, during the term of this Contract, such surcharge, fee, or time-limited price change will be applied to the then applicable prices for those products under this Contract, subject to the same terms as such surcharge or fee is applied to the prices of general applicability for those products, respectively, as calculated by the Postal Service. The surcharge, fee, or time-limited price change shall not be considered the "most

recent price change" for the purposes of the Price Adjustments provision in Section I.J. The Postal Service reserves the right to forego an increase pursuant to this section, or increase by a lesser amount (but no less than zero), at its sole discretion.

R. Nonstandard Length and Nonstandard Volume Fees. Effective April 3, 2022, the following fees will be applied to Customer's Parcel Select packages under this Contract.



From the Effective Date of this Amendment through the conclusion of the first Contract Quarter following the Amendment's Effective Date, Customer will not be charged the Nonstandard Length Fee for their DDU entry packages that exceed . The Nonstandard Length Fee for packages in this category will be calculated on a quarterly basis, pursuant to footnote 1.

### **III.** Expiration Date and Termination

This Contract shall expire on December 31, 2022, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing; (2) renewed by mutual agreement in writing; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) required to comply with subsequently enacted legislation.

If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.J, throughout the extension period.

2

<sup>&</sup>lt;sup>1</sup> If the quantity of packages, exceeding , entered at the DDU level equals , of Total DDU volume per Contract Quarter, there will be no fee charged for those nonstandard length packages.

<sup>&</sup>lt;sup>2</sup> For packages entered at the DSCF level, exceeding discount off the prevailing published nonstandard length fee.

<sup>&</sup>lt;sup>3</sup> Customer will pay prevailing published fees for packages in this category.

<sup>&</sup>lt;sup>4</sup> Customer will pay prevailing published fees for packages in this category.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE	
Signed by: jacqueline krage strako	
Printed Name: Jacqueline Strako	
Title: Chief Commerce & Business Solutions Officer and Executive Vice President	
Date: 3/24/2022	



## ATTACHMENT B SIGNED CERTIFICATION

#### **Certification of Prices for Amendment to**

### Parcel Select and Parcel Return Service Contract 7

I, Lisa H. Arcari, Director, Domestic Package Pricing, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select and Parcel Return Service Contract 7. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Digitally signed by Lisa Arcari Date: 2022.03.25 13:37:30 -04'00'

Lisa H. Arcari